SERCs by the State Government if they so choose. While the thrust of the ERC Act, 1998 was primarily on transferring powers of tariff fixation/regulation to the Regulatory Commissions, the Electricity Bill, 2003 as passed by Lok Sabha has provisions empowering the Regulatory Commissions on some other aspects of regulation as well.

Subsidy on interest on loan given to rural electrification projects

3503. DR. C. NARAYANA REDDY:

SHRI C. RAMACHANDRAIAH:

Will the Minister of POWER be pleased to State :

(a) Whether it is a fact that the group of Ministers has decided that subsidy should be given on interest on the loans for rural electrification projects;

(b) if so, the details in this regard; and

(c) by when, the final decision Will be taken ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATIJAYAWANTIMEHTA): (a) Yes, Sir.

(b) The salient features of interest subsidy scheme under Accelerated Rural Electrification Programme (AREP) are:

(i) The interest subsidy will be at the rate of 4%.

(ii) The interest subsidy would be provided as grant for the loans to be taken for rural electrification of un-electrified villages including dalit bastis, hamlets and households. Rural Electrification would be through Conventional as well as Non-Conventional sources of energy.

(c) On recommendations of the Group of Ministers (GOM), the Government have approved a total grant of 563.87 crores for the Tenth Plan as interest subsidy on 13-3-2003 on loans for rural electrification of un-electrified villages under Accelerated Rural Electrification Programme (AREP).